

MINUTES

ROCKFORD POLICE PENSION BOARD

JULY 18, 2013

MEMBERS PRESENT: Jeff Nielsen, President
Marcia Mueller, VP
Matt Williams, Secretary
Mike McDonald, Assist Secretary
Scott Laue, Trustee

ABSENT:

ALSO PRESENT: Roberta Holzwarth – Holmstrom & Kennedy

GUESTS: Mike Piotrowski – Marquette Associates
Joe Slonek - Fidelity

STAFF: Ted Dutkiewicz, Finance
Linda Wlaznik, Finance

The July 18, 2013 Rockford Police Pension Board convened at City Hall 425 E. State St., Jeff Nielsen called the meeting to order at 8:08 a.m.

MINUTES

Motion by Mueller and seconded by Williams to approve minutes of the June 20, 2013 Board meeting. APPROVED.

PUBLIC COMMENT

NONE

MARQUETTE ASSOCIATES

Piotrowski stated that the broad bond market was down 1-1/2% for the month of June. Stocks were down the month of June, S & P was down 1.3%; year-to-date up almost 14%. For the month of July stocks are up 4%.

For the month of June the market value of the fund was \$163.7 million. The fund was down 1.3% for the month of June. A majority of the fund is passively managed, which has performed well. Piotrowski commented on the lag in the performance of Kayne Anderson over the past two years. For the month of June when the market was down Kayne Anderson's performance was positive. PIMCO was down 4.2% for the quarter due to bond and international exposure.

The total investment management fees are approximately 37 basis points for the fund.

Motion by Mueller and seconded by Williams to approve withdrawal of \$200,000 from Vanguard Institutional Index Fund for cash needs. APPROVED.

Ayes: Nielsen, Mueller, Williams, and McDonald

Nays: None

Motion by Mueller and seconded by Williams to approve purchases and sales. APPROVED.

Ayes: Nielsen, Mueller, Williams, and McDonald

Nays: None

BILLS

Motion by Mueller and seconded by Williams to approve July City Services of \$9,300.00. APPROVED.

Ayes: Nielsen, Mueller, Williams, and McDonald

Nays: None

Motion by Mueller and seconded by Williams to approve June postage charges of \$275.27. APPROVED.

Ayes: Nielsen, Mueller, Williams, and McDonald

Nays: None

Motion by Mueller and seconded by Williams to approve payment to Holmstrom & Kennedy, P.C. for June attorney fees for general in the amount of \$3,161.25. APPROVED.

Ayes: Nielsen, Mueller, Williams, and McDonald

Nays: None

Motion by Mueller and seconded by Williams to approve payment to Holmstrom & Kennedy P.C. for June attorney fees for the Haske-Whisenand disability matter in the amount of \$607.50. APPROVED.

Ayes: Nielsen, Mueller, Williams, and McDonald

Nays: None

Motion by Mueller and seconded by Williams to approve payment to Holmstrom & Kennedy, P.C. for June attorney fees for the Soria disability matter in the amount of \$668.75, which includes \$652.50 for services and \$16.25 for disbursements. APPROVED.

Ayes: Nielsen, Mueller, Williams, and McDonald,

Nays: None

Motion by Mueller and seconded by Williams to approve payment to Holmstrom & Kennedy, P.C. for June attorney fees for the Lesmeister disability matter in the amount of \$2,735.74, which includes \$1,957.50 for services and \$778.24 for disbursements. APPROVED.

Ayes: Nielsen, Mueller, Williams, and McDonald,

Nays: None

Motion by Mueller and seconded by Williams to approve payment to Holmstrom & Kennedy, P.C. for June attorney fees for the Drnek disability matter in the amount of \$9,425.02, which includes \$6,097.50 for services and \$3,327.52 for disbursements. APPROVED.

Ayes: Nielsen, Mueller, Williams, and McDonald

Nays: None

Motion by Mueller and seconded by Williams to approve payment to Holmstrom & Kennedy P.C. for May attorney fees for the Honzel disability matter in the amount of \$755.00, which includes \$630.00 for services and \$125.00 for disbursements. APPROVED.

Ayes: Nielsen, Mueller, Williams, and McDonald

Nays: None

Motion by Mueller and seconded by Williams to approve payment to Holmstrom & Kennedy P.C. for June attorney fees for the Honzel disability matter in the amount of \$1,116.28, which includes – \$697.50 for services; June services in the amount of \$810.00, a (\$112.50) May credit and \$418.78 for disbursements. APPROVED.

Ayes: Nielsen, Mueller, Williams, and McDonald

Nays: None

Motion by Mueller and seconded by Williams to approve payment to Northern Trust Company for investment management fees for April 1, 2013 through June 30, 2013 in the amount of \$5,377.96. APPROVED.

Ayes: Nielsen, Mueller, Williams, and McDonald

Nays: None

NEW BUSINESS

Motion by Mueller and seconded by McDonald to approve the pension disability application with changes as noted.

Ayes: Nielsen, Mueller, Williams, and McDonald

Nays: None

Attorney Holzwarth stated that she sent the information received from Woodlake Medical Management. The suggestion is to wait until the next disability application is received and discuss using Woodlake Medical at that time.

OLD BUSINESS

Motion by Mueller and seconded by Williams to approve the amended Investment Policy.

Ayes: Nielsen, Mueller, Williams, and McDonald

Nays: None

Motion by Mueller and seconded by Williams to instruct Holmstrom & Kennedy, P.C. to file a brief to support the board's decision regarding the Haske-Whisenand disability matter. APPROVED.

Motion by Mueller and seconded by Williams to approve Dr. Rosche as the third evaluator for the Drnek disability matter. APPROVED.

Motion by Mueller and seconded by McDonald to approve the policy manual. APPROVED.

Motion by Mueller and seconded by Williams to designate city employees Linda Wlaznik and Mary Johnson as FOIA contacts. APPROVED.

Laue joined the meeting at 9:21 a.m.

The September regular meeting is scheduled for 11th at 8:00 a.m.; Soria hearing is scheduled for 10:00 a.m. to 2:00 p.m.

The October regular meeting is scheduled for 16th at 8:00 a.m.; Lesmeister hearing is scheduled for 10:00 a.m. to 2:00 p.m.

The November regular meeting is scheduled for 20th at 8:00 a.m.; Drnek hearing is scheduled for 10:00 a.m. to 11:30 a.m.; Honzel hearing is scheduled from 11:30 a.m. to 2:00 p.m.

Wlaznik stated that affidavits are still being received. The deadline is August 31.

The board discussed the audit report. Wlaznik stated that Corina Axelson is the widow of William Axelson. He died in January 1999. He received \$2,722.89; his correct benefit should have been \$2,724.87. Mrs. Axelson was under paid by \$342.54.

Motion by Mueller and seconded by Laue to approve the payment of \$342.54 to Corina Axelson in order to adjust underpayment of pension of William Axelson. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

Motion by Mueller and seconded by Williams to approve the corrected benefit amount of \$2,724.87 monthly pension payment to Corina Axelson. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

Motion by Mueller and seconded by Laue that the overpayment of \$18,928.83 to Geoffrey Fysh be debited from future pension payments to Karen Fysh over a period of time equal to the time that the erroneous payments occurred. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

Dutkiewicz stated that there was an audit finding on the investment management agreements. The IDOIA requested new signature sheets be signed each time a new board member was appointed or elected. Dutkiewicz stated that they did not agree with that request.

Attorney Holzwarth suggested when hiring a new manager, the board would approve the agreement with the new manager and authorize the President of the board to execute the agreement.

Motion by Mueller and seconded by Laue to approve the response to the audit report. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

FIDELITY PRESENTATION

Joe Slonek introduced himself as the Investment Consultant of Fidelity. Mr. Slonek stated that there had not been any changes in the portfolio management in the past 12 years. Mr. Slonek highlighted the investment process.

Mr. Slonek stated that over the tenure, 168 basis points have been added; relative to the Morningstar peer group, 243 basis points have been added.

Mr. Slonek briefly discussed the Sector Weights.

The board discussed the Fidelity presentation.

PAYROLL

Motion by Mueller and seconded by Laue to approve the June estimated payroll amount of \$1,135,360.46. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

A motion to adjourn was made and seconded at 11:03 a.m.

A handwritten signature in blue ink, appearing to be "J. Nielsen", is written below the text.